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NAUREX INC. ANNOUNCES PRESENTATION OF PRECLINICAL DATA SHOWING ITS NOVEL MECHANISM NMDA MODULATOR EXHIBITS ROBUST AND RAPID-ONSET ANTIDEPRESSANT ACTIVITY WITH NO SIGNS OF CLASSIC NMDA-ASSOCIATED SIDE EFFECTS

—GLYX-13 Showed Superior Antidepressant-Like and Anxiolytic-Like Activity Compared to NMDA Modulator Ketamine without Schizophrenia-Like, Addictive or Sedative Side Effects—

—GLYX-13 Displayed Rapid Onset of Action within Minutes and Affected both Positive and Negative Symptoms of Depression—

—Significant Therapeutic Ratio of 500:1 Observed in these Studies Validates GLYX-13's Novel and Selective GFPA Mechanism—

EVANSTON, IL, December 16, 2009 -- Naurex Inc., a new clinical stage company developing innovative treatments for depression and other CNS disorders based on its novel GFPA NMDA receptor modulators, today announced that data presented at a major medical meeting showed that its lead compound GLYX-13 demonstrated robust antidepressant-like and anxiolytic-like activity with no signs of the CNS-related side effects seen with other drugs targeting the NMDA receptor¹. The studies also showed that GLYX-13's antidepressant effects were evident within 20 minutes of administering a single dose and that it affected both the positive and negative symptoms of depression, while also demonstrating a lasting antidepressant effect. GLYX-13 is a glycine site functional partial agonist (GFPA) modulator of the NMDA receptor, a novel and selective mechanism discovered by Naurex scientists. GLYX-13 is initially being developed as a therapy for treatment-resistant depression. Separately, Naurex today announced that it has initiated a Phase I clinical trial to evaluate the safety of GLYX-13 in healthy volunteers.

"The NMDA receptor has long been a target for new treatments for CNS disorders, but the strong efficacy achieved by modulating the NMDA receptor has been accompanied by serious side effects such as schizophrenia-like symptoms, which has limited their use," said Ronald Burch, MD, PhD, chief medical officer at Naurex. "To overcome this problem, our founder Dr. Joseph Moskal used a unique approach to identify GLYX-13, a novel and selective modulator of the NMDA receptor. These new data demonstrate robust antidepressant activity by GLYX-13 with no signs of CNS side effects at any dose tested—an extraordinary early result. From a clinical perspective, we are also excited by the ability of GLYX-13 to alleviate both positive and negative symptoms of depression in these animal models, as well as by its very rapid onset of action and the persistence of antidepressant-like activity observed after a single dose. We also announced today that we have initiated the first clinical trial of GLYX-13, and we look forward to learning more about its clinical potential as a novel therapy for treatment-resistant depression."

In these studies, GLYX-13 was assessed in rats for its potential as a clinically relevant antidepressant using the well-validated rat Porsolt test, open field test and play-induced positive affect test. The results show that a single dose of GLYX-13 demonstrated significant antidepressant-like and anxiolytic-like properties with no signs of CNS-associated effects, achieving a therapeutic index of 500 or more. In contrast to current antidepressant drugs, the onset of action of GLYX-13 was evident within 20 minutes of administering a single dose, and the antidepressant-like effect of the single dose persisted for at least 96 hours. The study authors conclude that these data suggest that GFPAs are a novel way to modulate NMDA receptors without the side effects of conventional NMDA receptor modulators.

“I have had the good fortune to participate in the development of drugs that have contributed to improved treatment of depression, yet all of us in this field are aware of the major gaps that remain,” said J. David Leander, PhD, chief scientific advisor to Naurex. “The preclinical data that show that GLYX-13 has an extraordinary therapeutic ratio for this drug class support our belief that our approach has the potential to achieve the goal of separating the positive antidepressant activity of NMDA receptor modulators from their adverse CNS effects. These early data suggest our glycine site functional partial agonist approach may provide a valuable new treatment option for the many patients struggling with major depression.”

GLYX-13 demonstrated novel pharmacology in its interactions with the NMDA receptor. In preclinical studies, it was very well tolerated and has not displayed the classic CNS side effects of NMDA receptor modulators, exhibiting the largest therapeutic index (500:1) of any reported NMDA receptor molecule.

“Naurex was established to develop a promising new mechanism for treating CNS disorders,” said Derek Small, acting CEO of Naurex. “The potential of our novel approach as demonstrated in our recently presented preclinical data has enabled Naurex to recruit a strong team of distinguished experts to help advance the GFPAs-based programs pioneered by Dr. Moskal. We are now a clinical stage company and intend to move rapidly to advance this promising agent through the clinical trial process.”

¹ *Joseph Moskal, Jeffery Burgdorf*. Northwestern University, Evanston, IL, The anti-depressant and anxiolytic properties of GLYX-13: a Glycine-site Functional Partial Agonist (GFPAs), a novel mechanism for modulating NMDA receptors.

For more information about the GLYX-13 Phase I trial, see www.clinicaltrials.gov

About NMDA receptor modulators and depression

The glutamate receptor subtype known as N-methyl-D-aspartic acid (NMDA) plays a central role in modulating aspects of brain activity in the central nervous system, such as synaptic transmission, synaptic plasticity and excitotoxicity. Major pharmaceutical firms have been developing NMDA receptor modulators for over 20 years, and a few, including Memantine[®], ketamine, D-cycloserine, and dextromethorphan are marketed for other indications, generating annual sales of more than \$1 billion. The antidepressant potential of modulating the NMDA receptor has been confirmed by data from clinical studies with known NMDA receptor antagonists, which produced significant reductions in depression scores in patients with treatment-resistant depression. The efficacy in these studies was significant, with response rates of greater than 50%, fast onset of action within hours of a single dose, and a long duration of effect lasting from seven to 30 days after a single dose (reviewed in Skolnick, et al as referenced below). These data have confirmed the NMDA receptor as a novel target of high interest in depression – representing a potentially entirely new way to treat patients who do not respond to current therapies. But while the efficacy of these drugs is promising, they are also associated with significant toxicities at doses that are very close to the therapeutic dose. These side effects include dissociative effects, sedation, and abuse and addiction potential, perhaps best illustrated by the fact that ketamine has achieved notoriety as a drug of abuse. Until now, the narrow margin between therapeutic effects and adverse effects has limited the full therapeutic potential of these agents. In studies to date, Naurex’s novel NMDA receptor glycine site functional partial agonists have shown the significant therapeutic efficacy of NMDA receptor modulators without their limiting side effects.

About Naurex

Naurex, Inc. is a private company developing novel therapies for depression and other CNS disorders based on the work of founder Dr. Joseph R. Moskal and colleagues now at The Falk Center for Molecular Therapeutics at Northwestern University, who discovered a new mechanism of action for modulating the NMDA receptor. Naurex has used these discoveries to generate novel chemical drug classes known as glycine site functional partial agonists (GFPAs). Naurex’s first GFPAs NMDA modulator, GLYX-13, has shown promising signs of antidepressant activity with excellent safety in preclinical studies. It is currently being assessed in a Phase I clinical trial in treatment-resistant depression. A second generation series of compounds is advancing rapidly in preclinical development.

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